

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
STRINGTOWN WATER DISTRICT)	CASE NO. 94-088

O R D E R

On February 28, 1994, Stringtown Water District ("Stringtown") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068. Stringtown's application specified that the adjustment was needed because the City of Lawrenceburg ("Lawrenceburg"), from which Stringtown purchases water, had increased its rates for water sold from \$1.17 per 1,000 gallons to \$1.24 per 1,000 gallons. Relying upon these figures, the Commission approved a purchased water adjustment of \$0.08 per 1,000 gallons effective April 1, 1994 in its Order of March 21, 1994.

Subsequently, it came to the Commission's attention that the figures relied upon by Stringtown and by the Commission were erroneous. Lawrenceburg's original notice to Stringtown advised that its rate increase would be 6.6 cents per 1,000 gallons. Lawrenceburg actually increased its rates effective April 1, 1994 by 4.4 cents per 1,000 gallons due to the Kentucky River Authority's institution of a 4.4 cents per 1,000 gallons charge for water withdrawn from the Kentucky River.

On December 21, 1994, Stringtown filed with the Commission information based upon Lawrenceburg's actual rate of \$1.214 per 1,000 gallons, including a schedule of water purchased and sold for each month during the 12-month period ending 90 days prior to November 29, 1994, the effective date of Stringtown's rate adjustment based on the corrected figures.

During the 12 months ending October 31, 1994, Stringtown purchased 13,747,000 gallons of water and sold 11,809,335 gallons. The increase in the cost of purchased water is \$605, resulting in a purchased water adjustment of 5 cents per 1,000 gallons of water, as shown in Appendix B. Based on an average monthly usage of 5,000 gallons, the average bill of Stringtown's customers would increase 25 cents from \$14.15 to \$14.40 or 2 percent.

The purchased water adjustment of 5 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 5 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after November 29, 1994.

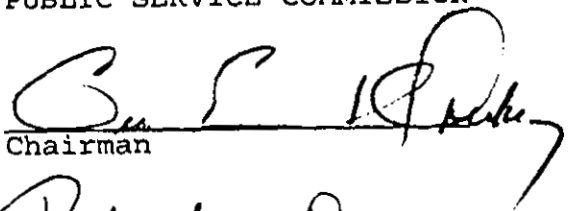
2. Within 30 days of the date of this Order, Stringtown shall file revised tariff sheets setting out the rates approved herein.

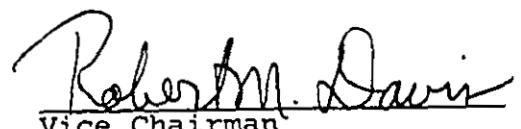
3. Within 20 days of the date of this Order, Stringtown shall file a copy of the notice to its customers informing them of the new rates and verification that such notice has been given.

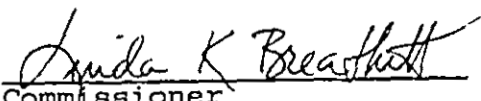
Done at Frankfort, Kentucky, this

26th day of January, 1995.

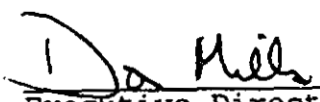
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-088 DATED January 26, 1995

The following rates and charges are prescribed for the customers in the area served by Stringtown Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

MONTHLY RATES

<u>Usage Blocks</u>	<u>Rates</u>
First 2,000 gallons	\$ 8.25 (Minimum Bill)
Next 3,000 gallons	2.05 per 1,000 gallons
Next 5,000 gallons	1.90 per 1,000 gallons
Over 10,000 gallons	1.85 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-088 DATED January 26, 1995

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased:	13,747,000 gallons
Water Sold:	11,809,335 gallons

Cost at Changed Rate:

$13,747,000 \times \$1.214$ average per 1,000 gallons = \$16,688.86

LESS

Cost at Base Rate:

$13,747,000 \times \$1.17$ average per 1,000 gallons = \$16,083.99

Increase in Cost: \$605.00

$\$605.00 \div 11,809,335$ gallons sold = 5 cents/
1,000 gallons